

Special Task Force on UW Restructuring and Operational Flexibilities

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Recommendations of the UW System for Operational Flexibilities

BACKGROUND

In December, the Task Force began its work with a discussion about the range of state control in various models of higher education governance. It was noted that the state of WI was among the highest regulated universities in the country and that several states are going through this same exercise of redefining the relationship of state governments and public universities. The Task Force asked the UW System to examine the building and procurement areas and make recommendations about ways to improve operational flexibility.

Capital Planning and the Building Program

The UW System examined three categories related to the building program.

- Building project requests and approvals
- Planning and design of projects
- Project construction and building operations

While reviewing these areas, the UW System used the following goals for guidance.

- ❖ Board of Regents and Legislature should maintain sufficient oversight
- ❖ Approvals and oversight should correlate to the scale of the project
- ❖ Oversight should ensure an open and transparent process
- ❖ Each step in the process should ensure added value
- ❖ Non-value added steps should be eliminated
- ❖ Incentives should be created to increase efficiency
- ❖ Efficiencies should apply to all projects, not a select subset

PROPOSAL

1. Place primary responsibility for planning and design with the Board of Regents.
2. Strengthen DOA bidding and construction capacity.
3. Redefine enumeration to create two categories: new space and existing facilities, and incentivize investment in existing facilities; establish a base budget for renovation and repair.
4. Authorize the Board of Regents to enter into lease agreements.

EXPLANATION

1. Place primary responsibility for planning and design with the Board of Regents.

Current law: Wis. Stats. 16.85 requires that the Department of Administration contract for architectural and engineering services for all state projects and negotiate fees.

Proposal: Allow the UW System Board of Regents to contract for architectural and engineering services on all university projects and negotiate fees.

Outcome: The goal of the recommendation is to more closely align the facility users at the campus with the design process and eliminate redundancy. Throughout higher education across the country, capital projects are implemented directly by each university or university system. Educational facilities are very different from other state government buildings. Universities plan and design facilities tailored to meet academic and student life needs. The professional staff at universities are closest to the user groups and spend careers developing expertise in educational facilities. Most university projects are funded by university generated revenue, not state taxpayer funds. The university governing body, the Board of Regents, is accountable to the university communities that pay for the cost of facilities. Specifically, this would allow the university to maximize its expertise in planning and design and allow the Division of State Facilities to maximize its expertise in bidding and contracting.

2. Strengthen DOA bidding and construction capacity.

Current law: Wis. Stats. 16.855 requires that the Department of Administration let bids for and supervise state construction projects.

Proposal: The UW System supports maintaining and strengthening the department as the state construction authority.

Outcome: By allowing the UW System to use its expertise in the design of educational facilities, the department could enhance its expertise in project delivery and construction supervision. Project quality would increase because the department would be able to allocate limited resources to construction oversight. Maintaining a single construction authority will ensure consistency in bidding and contracting rules and procedures.

3. Redefine enumeration to create two categories: new space and existing facilities, and incentivize investment in existing facilities; establish a base budget for renovation and repair.

Current law: Wis. Stats. 20.924(1)(a) and 13.48 require that projects costing over \$760,000 must be enumerated by the Legislature; generally in the biennial budget. Categories of funding for Maintenance, repair, and renovation projects are also enumerated through the statewide All Agency Program in the biennial budget. These projects, by practice, are generally under \$3 million. All projects over \$185,000 are approved by the State Building Commission at 35% of design.

Proposal: Retain the two paths for projects with minor changes. Major projects would be those over \$1 million, but only those constructing new space (whether additions or new buildings). The second group would constitute other work that occurs within existing buildings. In this enumeration model, the Board of Regents capital budget would request a block of funding based on prioritized pending projects for all work within existing buildings.

Outcome: The current process results in facility managers trying to fit square pegs into round holes. This enumeration change will eliminate repetitive disruptions in existing buildings caused by successive smaller projects and would allow work to be appropriately scoped and completed in one project.

Like most universities, the majority of buildings in the UW System were built in the 1960s and 1970s and are in need of complete renewal. This enumeration method would help prioritize existing buildings and reduce the backlog (or slow the increase).

4. Authorize the Board of Regents to enter lease agreements.

Current law: Wis. Stats. 16.84(5) and 13.48(19) assigns responsibility for leasing space on behalf of state agencies including the UW System with DOA. Major leases require approval of the Governor and Building Commission approval.

Proposal: Provide the Board of Regents the ability to lease space on behalf of UW institutions.

Outcome: Permitting the Board of Regents to approve and execute leases would streamline the negotiation and execution process. Currently, the campus performs much of the front-end work prior to handing over the negotiated lease information to DOA. Leases are funded by the university operating budget and often program revenue. The UW is only about 15% of state leases (83 of 540).